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Approved For Release 2003/08/13 : CIA-RDP86-00964R000100110039-3

AUG 27 1952

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Hospitalization and Surgical Insurance for CIA Personnel

1. PROBLEM.--To establish a health insurance plan which will not compromise the security requirements of the Agency and which will offer the best available insurance protection at reasonable premium rates to CIA personnel and their immediate families.
2. ASSUMPTIONS.--
  - a. The administration and records of a health insurance program must be internally managed in order that security will not be compromised.
  - b. Any insurance plan recommended for adoption should compare favorably in terms of services and premiums with other available insurance coverage.
  - c. Any insurance plan recommended for adoption should be adequate for Agency-wide use and available to all categories of personnel, except deep cover.
3. FACTS BEARING ON THE PROBLEM.--Two insurance plans, neither of which is adequate for Agency-wide use, are now offered to CIA employees:
  - a. Group Hospitalization, Inc., is limited to overt employees who have a GHI (or Blue Cross or Blue Shield) policy prior to their entrance on duty and who transfer it to the CIA group within sixty days. This policy may not be carried by semi-covert or overseas personnel.
  - b. Government Employees Health Association is a CIA-sponsored insurance plan underwritten by Mutual of Omaha. This has proved fairly satisfactory for overseas personnel, paying about 85 percent of the amounts claimed. For Washington-based personnel it has been unsatisfactory since it has paid only 30 percent of the amount of the claims.
4. DISCUSSION.--
  - a. A self-insurance program, operated wholly within the Agency, would be ideal from a security point of view. It would, however, require a large capital reserve which initially would have to be borrowed. This would be endangered in the event of a disaster prior to the liquidation of the

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loan and development of adequate reserves from premium receipts.

- b. Commercial plans generally fall short of the insurance protection afforded by Group Hospitalization Incorporated, especially for Washington-based personnel. Theoretically, the Agency could subsidize premium costs for employees, fully or in part, for commercial policies with adequate coverage. However, the General Counsel's Office advises that this would require legislation.
- c. On a comparison basis, the Group Hospitalization policy provides the most complete insurance protection for the premiums involved. Further, GHI is now willing to accommodate CIA security requirements by letting the Agency manage all insurance records internally. GHI has further agreed to transfer GEHA policyholders to the proposed GHI group with a waiver of the usual ten-month waiting period for maternity, tonsilectomy and appendectomy cases.
- d. Under the plan of operation described in Tab A, GHI policies would be available to all Agency personnel, except deep cover personnel. Employees would be separated into two groups, overt and semi-covert, and different arrangements made for each group. The internal operation and record keeping necessary to maintain security will require a small permanent staff. The existing staff operating GEHA could be utilized for this purpose, augmented to a staff of seven.

5. CONCLUSIONS.--

- a. The GHI policy extends the best available insurance protection on a "service" basis to Washington-based employees and their families. Its coverage for overseas personnel equals that of other commercial policies at the same premium levels.
- b. The Ad Hoc Committee on Health Insurance has arrived at a satisfactory agreement with GHI for administering this insurance within the Agency in a secure manner.

6. ACTION RECOMMENDED.--It is recommended that the GHI insurance program as proposed in Tab A be approved.

[Redacted Signature Box]

W. H. H. MORRIS, JR.  
Assistant Director (Personnel)

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COMMITTEE REPORT ON ESTABLISHMENT OF A SECURE SYSTEM OF INSURING  
CIA EMPLOYEES WITH GROUP HOSPITALIZATION, INC.

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At meetings held with Mr. [ ] of Group Hospitalization, Inc. on 6 and 11 August 1952 it was agreed that Group Hospitalization, Inc. will decentralize its office in the CIA for our group in the interest of security. The CIA office will be staffed by CIA employees and records of insured members will be established within the standards outlined by Group Hospitalization, Inc. which will permit all names and locations of our employees to be maintained within CIA, both for premium collection and settlement of claim purposes. The records will be open for inspection by either of the three cleared officials of Group Hospitalization, Inc., namely; Messrs. [ ]

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Internally, there will be two separate groups, (a) those persons who may admit that they are employed by CIA (i.e., Overt) and (b) those semi-covert employees who may not admit that they are employed by CIA. The usual identification card will be issued to each insured member under the former group which would include full benefits under participating hospitals and physicians plan. The policy number assigned to each member of the "(a) group" which is indicated on the identification card will contain a letter indicating to Group Hospitalization, Inc., when a hospital bill is presented, that such claim will be handled by the CIA Group. An identification card will not be issued to the "(b) group" inasmuch as they may not divulge employment by the CIA. Personnel in group (a) in transferring to semi-covert positions will relinquish their GHI identification cards to the CIA office. Conversely, group (b) personnel transferring to overt positions will be issued their GHI identification cards. The (b) group (who for the most part will be overseas or scheduled for early departure) will be entitled to only the non-participating plan which would include reimbursement as follows:

Hospital Room & Board	- Up to \$10.00 per day, not to exceed 84 days in a contract year, each period of hospitalization not to exceed 21 days.
Hospital Extras	- A maximum of \$256.00 in any one contract year, of \$64.00 maximum for each 21 day period of hospitalization.
Surgery	- Standard schedule with \$250.00 maximum.

Since this is identical coverage offered the "(a) group" outside the U. S. the plan appears equitable. Under this plan the insured member would pay the hospital and doctor bills and seek reimbursement from the CIA (Group Hospitalization, Inc.) group office.

A single check will be drawn each month and forwarded to Group Hospitalization, Inc. with a transmittal letter indicating that same covers premiums for insured members of various type contracts; i.e., single, married, hospitalization only, or hospitalization and surgical coverage.

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It is proposed that all records of CIA employees now existing in Group Hospitalization, Inc. will be withdrawn and included in the (a) or (b) group, as appropriate. The Group Hospitalization, Inc. will give out the story internally that CIA has cancelled their business with Group Hospitalization, Inc.

Group Hospitalization, Inc. has agreed to blanket in all members of the Government Employees Health Association (presently underwritten by Mutual Benefit Health & Accident Association of Omaha, Nebraska) waiving the waiting period for this group only.

Group Hospitalization, Inc. will undertake the cost of printing sales promotion pamphlets for distribution within CIA. In the event 75% of CIA enrollment may be attained for membership in Group Hospitalization, Inc. the waiting periods for all members may be waived. It is believed that this would apply to only "(a) group" initially as "(b) group" is located outside the U. S.

It is proposed that the personnel presently handling collections for the Group Hospitalization, Inc. insured CIA members be consolidated with the Insurance Office (Government Employees Health Association and War Agencies Employees Protective Association) with a view towards immediately furnishing a staff sufficient to accomplish the task of establishing the records within CIA, acceptance of new applications, collection of premiums and settlement of claims. Group Hospitalization, Inc. has offered to train the CIA employee who will have the responsibility of settling the claims within CIA. It is estimated that a staff of seven employees and a space requirement of three rooms will be necessary to initially operate the entire CIA insurance program.

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29 August 1952

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT : Hospitalization and Surgical Insurance for CIA Personnel

1. This office offers no legal objection to the staff study on the above subject dated 27 August 1952. However, we should like to offer certain observations based on our participation in the general problem in the past.

2. Paragraph a. under DISCUSSION in the staff study points out that an internal insurance program, while ideal from a security point of view, would have certain disadvantages, including a requirement for a large capital reserve and the danger to such a reserve in the event of a disaster. It is recognized that present staff study cannot present a complete picture of the self-insurance program since there would be required considerable collection of statistics and analysis thereof, probably by a competent actuarial expert. It was our understanding that such efforts would be undertaken and that the recommended GHI program was not to preclude such study. The matter appears to require further study, in any event, in view of the fact that under the recommended program, covert employees and other sensitive non-employee types now covered under secure methods will not be given the opportunity to participate therein.

3. The opinion has been put forth that CIA employees as a group are better risks than any insurance company has a right to expect based on general experience factors known to them. The causes for such improved risks would include:

- a. Lower age group.
- b. Higher educational level.
- c. Higher moral standards due to elimination through security checks.
- d. Higher physical standards.
- e. Wide coverage for injury and illness while abroad under provisions of P. L. 110, including in some cases gratuitous treatment furnished on a personal basis by military or other installations.

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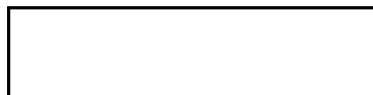
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A contributing factor toward the attractiveness of CIA as a group is the fact that a substantial portion of the administrative costs of both the existing program and the proposed program would have to be borne by the Agency because of our own security requirements.

4. This office previously suggested that a self-insurance program both in the field of hospitalization and life insurance be undertaken by CIA. That memorandum was dated 11 April 1952 and a copy is attached hereto.

5. In summary, it was our understanding, and we trust others share the same opinion, that the recommended program was not intended as a substitute for an internal program but as an improvement over the existing program pending the most careful study and analysis which a problem of this nature deserves.



JOHN S. WARNER  
Acting General Counsel

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Attachment

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Security Information



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LS-1417

Deputy Director (Administration)

11 April 1952

Deputy General Counsel

War Agencies Employees Protective Association

1. At the present time employees of CIA may secure term life insurance from the subject Association. This insurance can be procured on a secure basis so that the Association has available to it only a list of numbers and has no names in its possession. At the present time there are approximately [ ] policies in force.

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2. An initial membership fee of \$2.00 is required. The premium for a basic policy of \$10,000.00 is \$8.33 per month up to and including age 40. From 41 to 50, inclusive, the premium is \$10.42 per month, and in the age group 51 to 65, inclusive, the premium is \$12.50 per month. In addition to the basic policy, the experience factor has been sufficiently favorable so that current dividends afford additional protection over the face amount of the policy in the amount of \$2,000.00 additional life insurance and accidental death benefit of \$15,000.00.

3. Subject Association, or WAEPA as it is known, was organized on 11 May 1943 to provide a non-profit program of life insurance protection for civilian employees in the Federal Government who have assignments outside of the continental limits of the United States. The articles of the Association provide that directors will serve without compensation.

4. WAEPA is underwritten by the Equitable Life Assurance Society of the United States. Until a year ago, the Association was billed for insurance by Equitable at the rate of \$1.00 per thousand per month. Effective 21 May 1951 the rate was reduced to 95¢ per thousand per month. In lieu of affording dividends to members, the Association has procured the additional insurance which is explained above. As of 20 May 1951 the Association had a surplus of \$841,262.85. For the

[ ]

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5. From the above, it can be seen that employees of CIA represent approximately [ ] of the total membership of the Association. In the five year period from 1947 to 1951, premiums paid by CIA employees were [ ]. Three claims were paid during this period, totaling \$47,000.00. A projection of the current monthly premium indicates that premiums for 1952 will total [ ].

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6. Although OSS utilized WAEPA, the present arrangements with WAEPA were formalized in a letter to them, dated 4 November 1946, wherein the procedures involving CIG employees were established. During the entire period the Association has been most cooperative and ready to meet our requirements. For example, the brochure states that membership in the Association is offered to United States Government employees of American citizenship outside the continental limits of the United States. However, the Association has agreed in writing to offer membership to resident aliens so long as they have filed their Declaration of Intention to become American Citizens. Further, they have agreed to define the term "employee" to mean an individual whose compensation or expenses are derived in whole or in part directly from the United States Government for services performed directly for the United States Government in any capacity. This definition enables agent-type personnel, who are otherwise eligible, to secure WAEPA insurance. Another example of WAEPA's flexibility is their willingness to accept a certification by the Agency as to:

- (a) the death of the insured who is represented only by a number in WAEPA's files, and
- (b) the circumstances of the death (i.e., accidental or natural causes).

7. From the above, it is apparent that WAEPA is fulfilling a need in the insurance field which would make it extremely difficult, if not impossible, to have any other underwriter substituted and still meet the security requirements of CIA. Despite this favorable treatment from WAEPA, it is suggested that serious consideration be given to the organization of a program within CIA which would be financed by the participants' premiums and in which the profits, if any, would inure to the benefit of those participants. It is submitted that the present indirect subsidy by CIA of WAEPA (personnel services to collect premiums and process claims) which was established for security reasons can be continued with respect to an internal program. It is believed that an internal program properly managed would make available comparable insurance benefits at a much lower rate to participants.

- (a) It is suggested that such a program possibly could be combined with the hospitalization and health insurance program which is being considered by the Career Service Committee. The Working Group on Career Benefits has recommended that the present Government employees health insurance, which is underwritten by Mutual of Omaha, be established and run as an internal CIA program.

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8. There are many factors to be considered beyond the legal aspects and, consequently, the above is not intended to give all of the arguments for and against the establishment of the recommended program. It does present in outline form the basic facts, and it is intended that careful analysis and study be made of the problem to secure for CIA personnel the maximum insurance coverage for premiums paid.

/s/

JOHN S. WARNER

OGC/JSW:aia:imm

Distribution:

- Orig & 1 - Addressee
- 1 - Comptroller
- 1 - Personnel Director
- 1 - Acting Chief, Certification  
and Liaison, via Chief,  
Finance Division
- 2 - OGC

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2 October 1952

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT : Hospitalization and Surgical Insurance Plan  
for CIA Personnel

The attached staff study on the above subject has been concurred in by the undersigned with the following comments:

1. It is my opinion that GHI should at least bear a portion of the overhead cost of keeping the records.
2. The work in connection with keeping the records of the Government Employees Health Association, a CIA sponsored insurance plan under-written by Mutual of Omaha, is performed by employees of the Finance Division assigned to an insurance unit.
3. If this additional function is to be placed in the Finance Division of the Comptroller's Office, the work of transferring the present accounts from GHI and the acceptance of new applications can not be commenced until sufficient personnel are recruited, security-cleared, and report for duty. Another condition which must be resolved is that of furnishing additional space with proper furnishings and equipment.

  
E. R. SAUNDERS  
Comptroller

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Attachments.

UNCLASSIFIED RESTRICTED CONFIDENTIAL SECRET

(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

TO		INITIALS	DATE
1	Deputy Director (Admin)		
2			
3			
4			
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FROM		INITIALS	DATE
1	General Counsel		
2			
3			

- |                                      |   |                                    |
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| <input type="checkbox"/> ACTION      | <input type="checkbox"/> DIRECT REPLY         | <input type="checkbox"/> RETURN    |
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| <input type="checkbox"/> CONCURRENCE | <input type="checkbox"/> RECOMMENDATION       | <input type="checkbox"/> FILE      |

**REMARKS:** The flexible administrative procedures available under this program appear to make it procedurally possible to handle staff agents in deep cover status. It would be legally proper to do so, though not for contract agent types. //



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# ROUTING AND RECORD SHEET

*Bea 494*  
*3080*  
*File*  
*Policy*

**INSTRUCTIONS:** Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

ADSO

NO.

*7438*

DATE

7 July 1952

TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
		REC'D	FWD'D		
1. PERSONNEL DIRECTOR	<i>119</i> <i>North</i>	<i>7-8-52</i>		<i>JEM</i>	<p>Also attached: References (d), (e) and (f)</p> <p><i>Will you pls comment giving an estimate as to how long it would take to reach a conclusion on ADSO's proposal. Would appreciate in expedite reply.</i></p>
2. <i>M</i> <span style="border: 1px solid black; display: inline-block; width: 50px; height: 30px; vertical-align: middle;"></span>	<i>200</i>				
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JUL 8 1952

MEMORANDUM FOR: Personnel Director, C. I. A.

SUBJECT: ✓ Program Plan for Group Hospitalization, Inc.,  
Health Insurance in C. I. A.

REFERENCES: ✓ a) Memorandum dated 12 May 1952 from Security  
Officer, C. I. A. to Personnel Director  
✓ b) Memorandum dated 31 May 1952 from A/ADSO to  
Personnel Director, Subject: "Proposed  
Group Hospitalization, Inc., Health  
Insurance Program"  
✓ c) Memorandum of 16 June 1952 from Acting  
Personnel Director to the Security Officer  
with same subject as above

1. This matter was again brought to the attention of this office following the receipt of reference (c) by the Inspection and Security Office. With the assistance of a representative of the Inspection and Security Office additional study has been given the matter, and it is the opinion of this office that the proposed procedure, even if it were wholly efficient, does not meet the needs of the Agency.

2. It goes without saying that the Agency wishes to make it possible for all its employees to take advantage of a sound hospitalization and/or health insurance program. At present a large number of employees are penalized by their association with the Agency in that they may not, for security reasons, subscribe to the Group Hospitalization Inc., plan. It is believed however, that the proposed revision also contains security pitfalls stemming from the creation of a number of fictitious organizations whose sudden appearance is bound to arouse curiosity among the personnel of Group Hospitalization Inc. Further, it does not appear it can be reasonably assumed that some hundreds of Agency employees, of all grades, attached to the overt and covert components will be able to so conduct themselves as to preserve the security of the intricate machinery proposed.



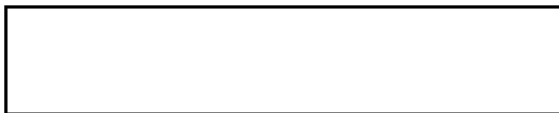
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3. The proposed revision is in contradiction to one of the fundamental precepts of good cover, i.e., that it be as simple as possible. It is proposed to construct an elaborate edifice which would demand such an investment by the Agency that its perpetuation would become a major endeavour. It is urged that before the Agency embarks on such a plan and becomes bound by it, a careful survey should be made of other means of providing the desired end: Hospitalization and/or health insurance to all Agency employees through secure means.

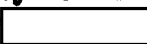
4. It is not appropriate that this office attempt to devise in detail, other means to achieve the end desired as such a matter should have the attention of experts. However, it is known that some study was given the problem by the Working Group on Career Benefits of the Career Service Committee and that a recommendation was made and incorporated in the final report of the C. S. C. that a better group health insurance plan be studied (3d, Tab G of the final report of C. S. C., Notice No. 78-52). It is the understanding of this office that the Working Group gave earnest consideration to the establishment of an Agency program initially funded by the Agency and wholly controlled by it.

5. It is recommended that appropriate steps be taken to establish an Agency controlled health insurance and hospitalization system. Such a system will provide benefits to employees as a part of the "Career Service". The Agency will benefit through higher morale and by the elimination of the security hazards inherent in extra-Agency programs.



LYMAN B. KIRKPATRICK  
Assistant Director  
Special Operations

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cc: Inspection and Security Office (1)  
Career Service Board  (1)  
Domestic Cover Committee (1)

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ATTACHMENTS: (a), (b), and (c)

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STANDARD FORM NO. 64

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SECURITY INFORMATION

*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Personnel Director

DATE: MAY 12 1952

FROM : Security Officer, CIA

SUBJECT: Program Plan for Group Hospitalization, Inc., Health Insurance  
in CIA

1. The attached plan for Group Hospitalization, Inc.  
health insurance in CIA has my approval from a security standpoint.



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Colonel, GSC

Enclosure:  
Subject Plan

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SUBJECT: Program Plan for Group Hospitalization, Inc., Health Insurance in CIA

The problem of establishing a program to assist employees of the CIA to insure themselves against the financial burden that might be imposed by hospital and/or surgical expenses has plagued the Agency for some time. The major difficulty in sponsoring or providing for a plan of health insurance has revolved around some of the operational aspects of such a program. During the last few weeks Agency Officers have reviewed the existing health insurance arrangements in the CIA and have studied the various types of insurance and plans of operations that might be utilized to meet this problem. Two considerations have been held as being paramount in discussions and study on a health insurance policy. The first consideration has been that the policy approved for Agency sponsorship should represent a balance between premium charges and the benefits obtainable in the insurance policy, i.e., the policy which carries the most complete and realistic claims service within the bounds of what may be considered a reasonable premium charge. The second factor under study has been the matter of providing an insurance program which would not compromise the security of the Agency. This problem is, of course, complicated by reason of the fact that insurance companies, like other industries, prefer to know who their individual customers are, and have some detailed knowledge of their background and environment.

After consideration of a number of insurance plans and utilization of the services of an insurance consultant it has been concluded that the existing insurance policy of Group Hospitalization, Inc. (a member of the National Blue Cross system in the Washington, D. C. area) offers advantages over other plans for the personnel based in the Washington area. At the same time the benefit features of this policy are such that it compares favorably with most other policies at the same price that might be offered to persons assigned to overseas areas. Furthermore, recent conversations with an officer of GHI have indicated that the arrangements for providing the insurance to CIA personnel can be so ordered as to provide a maximum degree of security for the Agency.

In view of these conclusions, the Committee of Agency Officers charged with finding a solution to this problem suggests the

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following plan and procedure be used in providing CIA employees with the GHI health insurance policy:

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1. At present, about ☐ CIA employees have the GHI hospitalization and surgical insurance. This group is made up of those employees who were permitted to transfer their policies into the CIA group at the time they entered on duty with the Agency. It is considered that this group of policy holders should not be changed or affected by the projected program. New employees having GHI policies will continue to transfer their policies to this CIA group. Under the present system of billing subscribers in GHI, there is little reason to doubt that a few employees of the company are aware that this group is within the CIA. The retention of this group on its present basis should therefore tend to dispel speculation that any other groups being formed might be constituted of CIA employees. At the same time, within the experience of GHI with other Government agencies, the size of the group should be quite misleading in computing the actual strength of this Agency.

2. The existing Government Employees Health Association (GEHA) will be retained to continue the management of its present insurance policy until such time as it may be abandoned in favor of the GHI policy by those persons, especially semi-covert, who are now overseas. The present GEHA policy (with Mutual of Omaha) should be continued for covert personnel. In addition, GEHA will undertake the central administration of the new plan for servicing employees with GHI insurance.

3. The operating plan proposes the following structure and procedures:

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MAY 11 1952

MEMORANDUM FOR: Personnel Director

SUBJECT: Proposed Group Hospitalization, Inc.  
Health Insurance Program

1. This Office has reviewed the proposal described in your memorandum of 12 May 1952 with considerable interest. It is our desire to see inaugurated at the earliest opportunity a program of group health and accident insurance which will afford employees of this Agency uniform coverage equal if not superior to that available to employees of other agencies. This program, of necessity, would also have to furnish the security protection demanded by the nature of our responsibilities. Accordingly, the GHI proposal has been studied with these factors in mind.

2. It is our considered judgement that the GHI proposition, as submitted, fails to provide equitable coverage for all employees of the covert offices. Paragraph 4 of reference specifically states that the GHI coverage may not be suitable for individuals employed



3. This Office would like to propose creating a committee which, in addition to the membership of the Ad Hoc Committee responsible for studying the GHI proposal, would also contain representatives from

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[REDACTED]. It is felt that such a committee would represent all conceivable points of view which need to be considered in connection with the adoption of any group insurance program. In addition to the present or any subsequent proposal from GHI, the committee might study proposals which we understand have been submitted to GEHA by commercial insurance concerns, and might also explore the possibility of creating and administering an Agency-sponsored insurance program. The Working Group on Career Benefits of the CIA Career Service Committee has already favorably considered this latter alternative.

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[REDACTED]

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RICHARD HELMS  
Acting Assistant Director  
Special Operations

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**SECRET***Office Memorandum*

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Security Information

• UNITED STATES GOVERNMENT

TO : CIA Security Officer

DATE: 16 June 1952

FROM : Acting Personnel Director

SUBJECT: Program Plan for Group Hospitalization, Inc., Health Insurance in CIA

REFERENCES: (Attached as listed)

- ✓ a. Memorandum dated 12 May 1952 from Security Officer, CIA, to Personnel Director approving subject plan from a security standpoint.
- ✓ b. Memorandum dated 31 May 1952 from Acting ADSO to Personnel Director commenting on subject plan.
- ✓ c. Memorandum dated 9 June 1952 from Chief, AL, Opc, to Personnel Director commenting on subject plan.
- ✓ d. Memorandum dated 23 May 1952 from Chief, Admin Staff, COMMO, to Personnel Director commenting on subject plan.
- ✓ e. Memorandum dated 12 May 1952 from [ ] comment-  
ing on subject plan.
- ✓ f. Memorandum dated 9 June 1952 from Chief, Security Division, I&S, to Personnel Director advising of TS clearances for 3 individuals connected with Group Hospitalization, Inc.

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You will note that the Acting ADSO provides the only dissenting comment in the proposed hospitalization insurance plan, and the main reason therefor concerns a security question. It is requested that you review the comments attached and furnish your opinion as to a suggested alternative which would meet the objections raised.

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Attachments: 6 as listed

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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Personnel Director

DATE: 23 May 1952

FROM : Chief, Administrative Staff, Office of Communications

SUBJECT: Program Plan for Group Hospitalization, Inc.

1. I have reviewed the accompanying proposal and find no cause to disagree with the plan as set forth. Therefore, concurrence is given.



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FOR THE ASSISTANT DIRECTOR FOR COMMUNICATIONS:

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12 May 1952

MEMORANDUM

TO : Mr. [REDACTED]

FROM : Mr. [REDACTED]

SUBJECT: Program Plan for Group Hospitalization, Inc.,  
Health Insurance in CIA

1. Reference is made to the paper written by you as a member of a Special Committee appointed by the Board of Directors of GEHA to consider the improvement of the health insurance program within CIA.

2. In this connection you are advised that the plan as outlined in your paper, a copy of which was forwarded to me by the Chairman of the Special Committee under date of 8 May 1952, meets with my concurrence.

3. Since the problem of a health program for CIA has been resolved as a Personnel Relations matter, it will be appreciated if you would keep the undersigned informed of the progress of the paper and as to the action to be taken on the part of GEHA in the establishment of the [REDACTED] group.

[REDACTED]

Member of Special Committee

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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Personnel Director

DATE: 9 June 1952

FROM : Chief, Security Division

SUBJECT: Clearance for Group Hospitalization Employees

Reference is made to your memorandum of 30 April 1952 requesting security clearance on [redacted], Director, Group Hospitalization; Mr. [redacted], enrollment Representative; and Mr. [redacted], Claims Supervisor.

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This is to advise that the above-named persons have been security approved for access to Top Secret CIA information.



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**SECRET**

**SECURITY INFORMATION**

JUN 1 1962

MEMORANDUM FOR: PERSONNEL DIRECTOR (ADMINISTRATION)

SUBJECT: Program Plan for Group Hospitalization, Inc.,  
Health Insurance in CIA

Opc concurs in the desirability of extending to our employees the benefits of the proposed Group Hospitalization Plan outlined in the attached paper.



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Encl: 1  
Subject Plan

**SECRET**

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